

United States Department of the Interior

OCT 13 2000

m/003/026

DIVISION OF OIL, GAS AND MINING

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BUREAU OF LAND MANAGEMENT

Salt Lake Field Office 2370 South 2300 West Salt Lake City, Utah 84119

3809 U-77761 (UT-023)

Certified Mail # Z 181 697 082 Return Receipt Requested

Mr. David Ryzak Star Stone Quarries, Inc. 4040 South 300 West Salt Lake City, Utah 84107

Dear Mr. Ryzak:

On June 15, 2000, we received your Plan of Operations (Plan) to conduct mining and quarrying activities in Star Stone Quarries, Inc. (SSQ) Rosebud #1 and #2 placer mining claims located in the W½ of Section 14, T. 10 N., R. 16 W. (UMC 354975-354976). On July 14, 2000, we sent a letter to SSQ requesting information which would support SSQ's position that the building stone located within the boundaries of the subject claim was locatable and not salable.

On August 4, 2000, in a telephone conversation with Bureau of Land Management (BLM) geologist Michael Ford, you discussed the option of SSQ providing monies to the BLM, to be placed in a suspense account for the value of a set volume of building stone while a "common variety determination and/or validity examination" was being prepared by the BLM. You indicated that SSQ would like to remove 500 tons of building stone from the Rosebud Quarry at Salt Lake Field Office's appraised value of \$9.00 per ton for common variety building stone.

On September 5, 2000, you were asked to submit \$4,500.00 (\$9.00 X 500 tons) to the Salt Lake Field Office at your earliest convenience. On September 28, 2000 we received your check for \$4,500.00. These funds will be placed in a suspense account under casefile serial number U-77761 and will be held by the BLM until a final determination has been made whether the quartzite building stone located within the boundaries of the Rosebud #1 and #2 placer mining claims is locatable or salable. If the results of the validity determination establish that the subject material is a common variety of building stone, the BLM will deposit these funds in the United States Treasury. If the validity examination demonstrates that the subject material has a unique property which gives it a distinct and special value as outlined in McClarty v. Secretary of Interior, 408 F. 2d. 907, 980 (9th Cir. 1969) (see our letter of July 14, 2000), the BLM will refund these monies to you, without interest. For your information, refunds from the Denver Service Center generally take four to six weeks.

The BLM will begin processing SSQ's Plan and allow SSQ to operate within the "footprint" of the existing "Green" Rosebud Quarry until the subject 500 tons of quartzite have been removed. Any request to remove additional material from the Green Quarry must be accompanied by cash or a check for a set volume, at the rate of \$9.00 per ton. This temporary authorization does not permit SSQ to expand the perimeter of the existing quarry beyond the current high wall, nor does it permit any expansion of the existing mine dumps west of the current perimeter. In addition, the operator must comply with any requirements imposed by the Utah Division of Oil, Gas and Mining before the continuation of mining in the Green Quarry area.

Thank you for your cooperation. If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

Glenn A. Carpenter Field Office Manager

Miles below

cc: D. Wayne Hedberg

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